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CORN BELT TELEPHONE COMPANY
WALL LAKE, IOWA

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2014 & 2013

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CORN BELT TELEPHONE COMPANY

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John D. Morrow

Certified Public Accountant

Member
Iowa
Society

Certified Public Accountants

P O Box 400
109 Main Street
Wall Lake, IA 51466

Phone: (712) 664-2891
CELL: (712) 830-3121
FAX: (712) 664-2717
morrowjd@netins.net

March 23, 2015

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corn Belt Telephone Company
Wall Lake, Iowa 51466

Report on the Financial Statements

I have audited the accompanying financial statements of Corn Belt Telephone Company (an Iowa corporation) which comprise the balance sheet as of December 31, 2014 and 2013 and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corn Belt Telephone Company as of December 31, 2014 and 2013, and the results of its operation and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

John D. Morrow

CORN BELT TELEPHONE COMPANY
BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

ASSETS	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash equivalents	\$ [REDACTED]	\$ [REDACTED]
Accounts receivable		
Due from customers - net		
Interexchange carriers		
Interest receivable		
Inventory		
Overpaid income taxes		
Prepayments		
NONCURRENT ASSETS		
Investment in joint venture		
Cellular partnership investment		
Marketable securities		
Other investments		
Goodwill and intangibles net of amortization		
PROPERTY, PLANT AND EQUIPMENT		
Telecommunications plant in service		
Fiber optic plant in service		
Cable television plant in service		
Wireless & broadband towers in service		
Land & nonoperating property		
Accumulated depreciation		
TOTAL ASSETS	\$ [REDACTED]	\$ [REDACTED]

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CORN BELT TELEPHONE COMPANY
BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

LIABILITIES AND STOCKHOLDERS' EQUITY	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES		
Accounts payable	\$ [REDACTED]	\$ [REDACTED]
Dividends payable	[REDACTED]	[REDACTED]
Notes payable	[REDACTED]	[REDACTED]
Interest payable	[REDACTED]	[REDACTED]
Advance billing and payments	[REDACTED]	[REDACTED]
Corporate income taxes payable	[REDACTED]	[REDACTED]
Sales tax payable	[REDACTED]	[REDACTED]
Federal & FICA tax payable	[REDACTED]	[REDACTED]
State withholding payable	[REDACTED]	[REDACTED]
Unemployment tax payable	[REDACTED]	[REDACTED]
Federal excise & E911 tax payable	[REDACTED]	[REDACTED]
SIMPLE IRA withheld payable	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Accrued expenses payable	[REDACTED]	[REDACTED]
OTHER NONCURRENT LIABILITIES		
Deferred Income Taxes	[REDACTED]	[REDACTED]
STOCKHOLDERS' EQUITY		
Common stock, [REDACTED] par value,		
[REDACTED] shares authorized Class [REDACTED]		
[REDACTED] shares authorized Class [REDACTED]		
[REDACTED] shares Class [REDACTED] issued,		
[REDACTED] shares Class [REDACTED] issued,		
and [REDACTED] shares outstanding	[REDACTED]	[REDACTED]
Additional paid in capital	[REDACTED]	[REDACTED]
Capital in excess of par value	[REDACTED]	[REDACTED]
Retained earnings - Appropriated	[REDACTED]	[REDACTED]
Retained earnings - Unappropriated	[REDACTED]	[REDACTED]
Treasury stock @ cost, [REDACTED] & [REDACTED] shares	[REDACTED]	[REDACTED]
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ [REDACTED]	\$ [REDACTED]

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
SALES AND OPERATING REVENUES		
Local network services	\$ [REDACTED]	\$ [REDACTED]
Network access services	[REDACTED]	[REDACTED]
Cable television services	[REDACTED]	[REDACTED]
Broadband services	[REDACTED]	[REDACTED]
iWireless services	[REDACTED]	[REDACTED]
Computer sales & services	[REDACTED]	[REDACTED]
Miscellaneous	[REDACTED]	[REDACTED]
COST OF SALES		
Toll fees, computers, phones etc.	[REDACTED]	[REDACTED]
OPERATING EXPENSES		
Plant specific operations	[REDACTED]	[REDACTED]
Plant non-specific operations	[REDACTED]	[REDACTED]
Cost of cable television programming	[REDACTED]	[REDACTED]
Cost of broadband services	[REDACTED]	[REDACTED]
Depreciation and amortization	[REDACTED]	[REDACTED]
Customer operations	[REDACTED]	[REDACTED]
Corporate operations	[REDACTED]	[REDACTED]
General taxes	[REDACTED]	[REDACTED]
OPERATING INCOME	[REDACTED]	[REDACTED]
OTHER INCOME (EXPENSE)		
Interest and dividend income	[REDACTED]	[REDACTED]
Rental & joint venture income	[REDACTED]	[REDACTED]
Gain on investments & sale of equipment	[REDACTED]	[REDACTED]
Interest expense	[REDACTED]	[REDACTED]
Rental costs & other expenses	[REDACTED]	[REDACTED]
Depreciation-rental property	[REDACTED]	[REDACTED]
INCOME BEFORE INCOME TAXES	[REDACTED]	[REDACTED]
Income taxes	[REDACTED]	[REDACTED]
NET INCOME	\$ [REDACTED]	\$ [REDACTED]

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See accompanying Notes to Financial Statements.
CORN BELT TELEPHONE COMPANY
STATEMENTS OF STOCKHOLDERS' EQUITY
DECEMBER 31, 2014 AND 2013

	<u>Common Stock</u> <u>Class V</u>		<u>Additional</u>	<u>Capital</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid in</u> <u>Capital</u>	<u>in Excess</u> <u>of Par Value</u>
Beginning balance Jan. 1, 2013		\$	\$	\$
Net income				
Dividends paid				
Retained earnings appropriation				
Bylaw Amendment to "no par value" stock				
Purchase of treasury stock				
Sale of treasury stock				
Ending balance Dec. 31, 2013		\$	\$	\$
Net income				
Dividends paid				
Retained earnings appropriation				
Purchase of treasury stock				
Sale of treasury stock				
Ending balance Dec. 31, 2014		\$	\$	\$

CORN BELT TELEPHONE COMPANY
STATEMENTS OF STOCKHOLDER'S EQUITY
DECEMBER 31, 2014 AND 2013

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ [REDACTED]	\$ [REDACTED]
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	[REDACTED]	[REDACTED]
Amortization	[REDACTED]	[REDACTED]
Deferred income taxes	[REDACTED]	[REDACTED]
Cost basis of assets sold	[REDACTED]	[REDACTED]
(Gain) loss on sale of marketable securities	[REDACTED]	[REDACTED]
(Gain) loss on equity interest in joint venture	[REDACTED]	[REDACTED]
Amortize/Accretion of marketable securities	[REDACTED]	[REDACTED]
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	[REDACTED]	[REDACTED]
Interest receivable	[REDACTED]	[REDACTED]
Inventory	[REDACTED]	[REDACTED]
Overpaid income taxes	[REDACTED]	[REDACTED]
Prepayments	[REDACTED]	[REDACTED]
Increase (decrease) in:		
Accounts payable & dividends payable	[REDACTED]	[REDACTED]
Accrued interest payable	[REDACTED]	[REDACTED]
Advance billing & payments	[REDACTED]	[REDACTED]
Corporate income taxes payable	[REDACTED]	[REDACTED]
Payroll & other taxes payable	[REDACTED]	[REDACTED]
Customer deposits	[REDACTED]	[REDACTED]
Other accrued liabilities	[REDACTED]	[REDACTED]
Net cash provided by operating activities	[REDACTED]	[REDACTED]
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of plant, property, & equipment	[REDACTED]	[REDACTED]
Distribution from joint venture	[REDACTED]	[REDACTED]
Proceeds from sale or redemption of investments & marketable securities	[REDACTED]	[REDACTED]
Purchase of investments and marketable securities	[REDACTED]	[REDACTED]
Net cash used by investing activities	[REDACTED]	[REDACTED]
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings - note payable	[REDACTED]	[REDACTED]
Payments - note payable	[REDACTED]	[REDACTED]
Dividends paid	[REDACTED]	[REDACTED]
Purchase of treasury stock	[REDACTED]	[REDACTED]
Net cash used in financing activities	[REDACTED]	[REDACTED]
Net Increase (Decrease) in Cash and Cash Equivalents	[REDACTED]	[REDACTED]
Cash and Cash Equivalents at Beginning of Year	\$ [REDACTED]	\$ [REDACTED]
Cash and Cash Equivalents at End of Year	\$ [REDACTED]	\$ [REDACTED]
Cash payments for interest	\$ [REDACTED]	\$ [REDACTED]
Cash payments for income taxes	\$ [REDACTED]	\$ [REDACTED]

See accompanying Notes to Financial Statements.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

System of Accounts

The accounting policies of the Company conform to generally accepted accounting principles in the United States of America. The accounting records of the Company are maintained in accordance with the Uniform System of Accounts for Telephone Companies prescribed by the Federal Communications Commission (FCC) as modified by the state regulatory authority.

Organization

Corn Belt Telephone Company is incorporated under the laws of Iowa and operates various telecommunication services including: exchange and local access, long distance, internet, wireless, cable television, wireless franchise areas and sale of computers & communication equipment in a service area located primarily in west central Iowa. The ability of the Company to collect accounts receivable is based on the telecommunication industry and local economic conditions.

Cash Equivalents

For purposes of the statements of cash flows, the company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

The direct charge-off method is used for recording uncollectible accounts receivable. The accompanying balance sheets include only those customer accounts which were considered collectible and management determined it was not considered necessary to provide an allowance for doubtful accounts.

Inventories

Inventory held for resale is valued at cost using the first-in, first-out method of valuation. Inventories do not include materials and supplies kept on hand for repairs and replacements of communications plant, property, and equipment.

Investments

Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Realized holding gains and losses on trading securities are reported in earnings. (Marketable equity securities classified as available-for-sale are carried at cost and unrealized holding gains and losses are not recorded as a separate component of stockholders' equity.) The Company considers the unrealized holding gains and losses on marketable equity securities to be immaterial to the overall financial statements as a whole. Therefore, the value has not been reflected in the financial statements. Debt securities, the Company has both the positive intent and ability to hold to maturity, are classified as held-to-maturity and are carried at amortized cost. Equity investments, over which the Company has significant influence, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2014 AND 2013

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant, Property and Equipment

Plant, property and equipment is capitalized at original cost. Renewals and betterments are charged to the property accounts while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expended currently. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable telephone property. The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates based on the estimated service lives of the various classes of depreciable property as follows:

	<u>Useful Life</u>
Building	years
Fiber to the home	years
Central office equipment	years
Tools and work equipment	years
Furniture and office equipment	years
Vehicles	years
Station apparatus	years
Cable Television plant & equipment	years

Software

Software costs are recognized in accordance with the American Institute of Certified Public Accountants Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The Company capitalized costs (including right-to-use fees) associated with externally acquired software for internal use. Software maintenance and training costs are expended as incurred. Capitalized software is generally amortized on a straight-line basis over its useful life, not to exceed five years.

Long-Lived Assets

The Company would provide for impairment losses on long-lived assets when indicators of impairment are present and the non-discounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Based on current conditions, management does not believe any of its long-lived assets are impaired.

Income Taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes arise from the basis of property, plant and equipment, partnership investments, and certain accruals. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible, when the assets and liabilities are recovered or settled. As of December 31, 2014 and 2013, the book basis exceeded the tax basis of plant property and equipment by approximately [REDACTED] and [REDACTED] respectively.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2014 AND 2013

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company recognized revenues when earned regardless of the period in which they are billed. The Company is required to provide telephone service to subscribers within its defined service territory.

Local network service, broadband, wireless, iwireless, and cable television revenues are recognized over the period a subscriber is connected to the network.

Network access, long distance and wireless service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues is based, in part, on an average schedule company settlement formula administered by the National Exchange Carrier Association (NECA) which is regulated by the FCC. The intrastate portion of access revenues is billed based upon the Company's tariff for access charges filed with the Iowa Utilities Board (IUB). The charges developed from these tariffs used to bill the connecting carrier and recognize revenues in the period the traffic is transported based on the minutes of traffic carried. Long Distance revenues are recognized at the time a call is placed based on the minutes of traffic processed at tariff and contract rates.

The Company recognizes the regulated portion of internet revenue as network access services and the non-regulated portion of internet revenue as broadband services in the statement of operations.

The Company earns wireless service revenues by providing access to its wireless network and for usage of its wireless system. Access revenue from postpaid customers is billed either in advance or arrears and recognized ratably over the service period. Air-time revenue, including roaming revenue and long distance revenue, is billed in arrears based on minutes of use and is recognized when the service is rendered. Access and air-time services provided are billed throughout the month according to the bill cycle in which a particular subscriber is placed. Wireless revenue include revenues from other wireless carriers for roaming by their customers on the Company's network.

Cable television service revenues are derived from charges for access to the Company's cable television network. The cable television revenues are recognized over the period a subscriber is connected to the cable television programming network and by the channels selected by the subscriber.

The Company recognizes taxes charged to customers on a net basis in the statements of income.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2014 AND 2013

Note 1 NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Company determines the fair market value of its financial assets and liabilities based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Intangibles

Intangible assets deemed to have indefinite lives are stated at the lower of cost or fair value. These assets are subject to periodic impairment tests. Intangible assets with definite lives are amortized.

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets". Under these, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to periodic impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives. The Statement also broadens the criteria for recording intangible assets separate from goodwill. The Company will perform impairment tests of goodwill and indefinite lived intangible assets. Amortization of goodwill and other intangibles for impairment of value was [REDACTED] and [REDACTED] in 2014 and 2013, respectively.

Use of Estimates

The preparation of financial statements in conformity with the accounting policies of the Company conform to accounting principles generally accepted in the United States of America. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2014 AND 2013

NOTE 2 INVESTMENTS

The Company has a [REDACTED] interest in [REDACTED] (a partnership) which operates a fiber optic network from [REDACTED] to the [REDACTED] area and connects each of the partners' telephone exchanges to the [REDACTED]. This investment is accounted for using the equity method. The Company recognizes its proportionate share of the income and losses accruing to it under the terms of the partnership agreement.

The Company has an interest in the [REDACTED] which provides cellular service. Corn Belt Telephone Company's investment in [REDACTED] and [REDACTED] represents a [REDACTED] interest. [REDACTED] of [REDACTED] owns an interest in [REDACTED] partnership. The market value of the Company's proportionate share of all partnerships' capital since inception of operations is undeterminable.

Other Investments - The Company's investment in [REDACTED] Inc. consists of [REDACTED] shares and [REDACTED] shares. This represents [REDACTED] of the [REDACTED] shares and [REDACTED] of the [REDACTED] shares of [REDACTED] stock.

Because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs, management has determined it is not practical to estimate the fair value of these investments. However, management believes that the carrying amount of these investments at December 31, 2014 and December 31, 2013, included in other investments, is not impaired.

The amortized cost and fair value of held-to-maturity securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<u>December 31, 2014</u>				
Held-for-sale				
Marketable Stock Companies	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Held-to-maturity				
Revenue Bonds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
U.S. Government	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
<u>December 31, 2013</u>				
Held-for-sale				
Marketable Stock Companies	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Held-to-maturity				
Revenue Bonds	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
U.S. Government	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Obligations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The gross realized gains on sales of securities totaled [REDACTED] in 2014 and [REDACTED] in 2013.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2014 AND 2013

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at December 31:

	<u>2014</u>	<u>2013</u>
<u>Telephone Plant In Service:</u>		
Building		
Buried cable		
Central office equipment		
Circuit Equipment		
Furniture and office equipment		
Vehicles		
Tools and work equipment		
<u>Fiber Optic Plant in Service:</u>		
Fiber optic to the home		
<u>Cable Television Plant in Service:</u>		
Cable television		
<u>Wireless Broadband Plant in Service:</u>		
Wireless towers and equipment		
Broadband equipment		
<u>Non-operating Plant:</u>		
Land		
Rental Building		
	\$	\$

Depreciation expense for the years ended December 31, is classified in the financial statements as follows:

	<u>2014</u>	<u>2013</u>
Operating Expense	\$	\$
Non-operating Expense	\$	\$

Application of rates to the various classes of plant produced a composite rate on average depreciable plant for the years ended December 31, 2014 and 2013, of [REDACTED] and [REDACTED]

NOTE 4 EMPLOYEE BENEFITS

The Company adopted a simplified employee pension plan in 1989 which was closed during the 2012 plan year. A SIMPLE plan was adopted by the Company during the 2012 year. The Company matches up to [REDACTED] for any employee that contributes to the plan. Pension plan contributions charged to operations for the years ended December 31, 2014 and 2013 were [REDACTED] and [REDACTED] respectively.

NOTE 5 AGENCY RISK MANAGEMENT

Corn Belt Telephone Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

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CORN BELT TELEPHONE COMPANY
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2014 AND 2013

NOTE 6 CONCENTRATIONS OF CREDIT RISK

The Company grants credit to local and toll service customers, all of whom are located in the franchised service area, and telecommunications intrastate and interstate long distance carriers.

The Company receives approximately [REDACTED] of its operating revenues from access revenues and assistance provided by the Federal Universal Service Fund. As a result of the Telecommunications Act, the manner in which access revenues and Universal Service Funds are determined is currently being modified by regulatory bodies.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents, temporary investments, investments in common stock companies, and other investments. The Company places its investments in several financial institutions which limits the amount of credit exposure in any one financial institution.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The company believes it is not exposed to any significant credit risk on cash equivalents.

NOTE 7 INCOME TAXES

Deferred income taxes arise primarily from timing differences between depreciation expense for tax purposes calculated under accelerated cost recovery methods and depreciation expense for financial statement purposes calculated under the straight line method.

Applicable income taxes consist of the following:

	<u>2014</u>	<u>2013</u>
Federal income tax		
Current tax expense	\$ [REDACTED]	\$ [REDACTED]
Deferred tax expense		
State income tax		
Current tax expense	[REDACTED]	[REDACTED]
Deferred tax expense		
Total Income Tax Expense	\$ [REDACTED]	\$ [REDACTED]

Income tax expense varies from the amount of income taxes determined by applying the Federal income tax statutory rate to income before taxes.

[REDACTED]

NOTE 8 SUBSEQUENT EVENTS

Management evaluated subsequent events through March 13, 2015, the date the financial statements were available for issue.

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Corn Belt Tel Co #351141 5 Year Plan Progress Report

Actual 2014 Expenses		2014 Federal Universal Service Receipts	
Plant Specific Operations Expenses			
Network Support (6110-16)	\$ [REDACTED]	Interstate Access Support	\$ [REDACTED]
General Support (6120-24)	\$ [REDACTED]	Interstate Common Line Support	\$ [REDACTED]
Central Office (6210-6232)	\$ [REDACTED]	Connect America Fund Support	\$ [REDACTED]
Cable & Wire Facilities (6410-41)	\$ [REDACTED]	High Cost Loop Support	\$ [REDACTED]
Network Operations (6530-35)	\$ [REDACTED]	Safety Net Additive Support	\$ [REDACTED]
Depreciation & Amortization (6560-65)	\$ [REDACTED]	Safety Valve Loop Cost Adj	\$ [REDACTED]
Plant Specific Operations Expenses	\$ [REDACTED]	CAF-ICC	\$ [REDACTED]
		TOTAL	\$ [REDACTED]
Customer Operations Expenses			
Customer Services (6611-23)	\$ [REDACTED]		
Customer Operations Expenses	\$ [REDACTED]		
Corporate Operations Expense			
Executive & planning (6710-12)	\$ [REDACTED]		
General & Administrative (6720-28)	\$ [REDACTED]		
Corporate Operations Expense	\$ [REDACTED]		
Total Years Supported Expenses, Before Return on Investment			
	\$ [REDACTED]		
Additions / Capx			
Fiber - WL FTTH Rural	\$ [REDACTED]		
Total Supported Expenditures, Before Return on Investment			
	\$ [REDACTED]		

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* and an additional [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality, coverage, and capacity in 2015.

T-87N

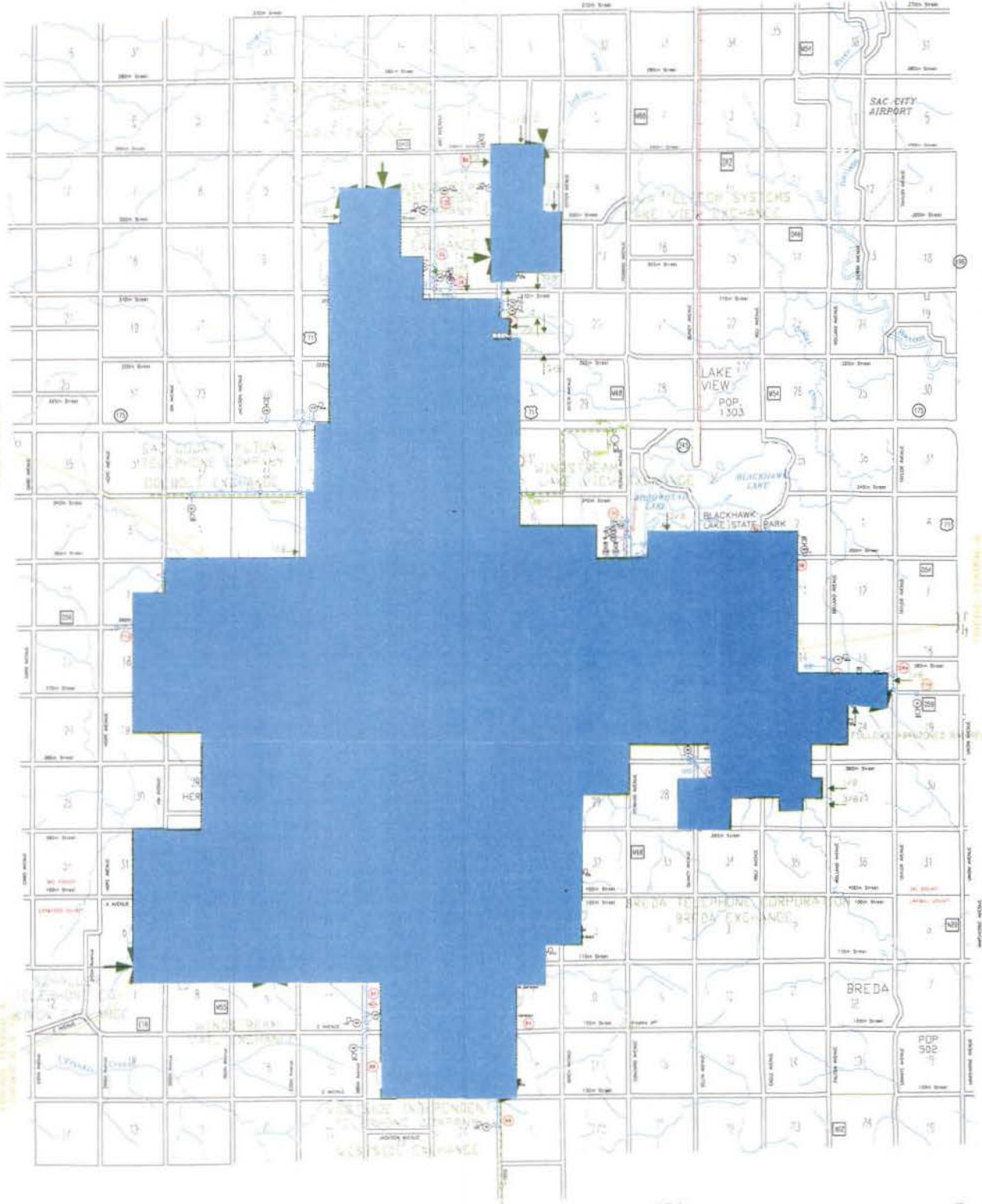
T-86N

T-85N

T-87N

T-86N

T-85N



downstream upstream to
of service area.



LATEST REVISION 07/16/13

OAK HILL CONSULTING, INC.
1308 WEST HIGHWAY #13
BURNSVILLE, MINNESOTA 55337
(952) 698-8801

PROJECT: CORN BELT TELEPHONE COMPANY - RURAL EXCHANGE #1110	DATE: 04/20/11	SCALE: NTS	SHEET: 1 OF 1
DESIGNED BY: [REDACTED]	CHECKED BY: [REDACTED]	DATE: 04/20/11	

Received & Inspected

JUN 29 2015

FCC Mail Room

REDACTED – FOR PUBLIC INSPECTION

FCC Form 481 - Line 112

Corn Belt Tel Co #351141 5 Year Plan Progress Report

Actual 2014 Expenses		2014 Federal Universal Service Receipts	
Plant Specific Operations Expenses			
Network Support (6110-16)	\$ [REDACTED]	Interstate Access Support	\$ [REDACTED]
General Support (6120-24)	\$ [REDACTED]	Interstate Common Line Support	\$ [REDACTED]
Central Office (6210-6232)	\$ [REDACTED]	Connect America Fund Support	\$ [REDACTED]
Cable & Wire Facilities (6410-41)	\$ [REDACTED]	High Cost Loop Support	\$ [REDACTED]
Network Operations (6530-35)	\$ [REDACTED]	Safety Net Additive Support	\$ [REDACTED]
Depreciation & Amortization (6560-65)	\$ [REDACTED]	Safety Valve Loop Cost Adj	\$ [REDACTED]
Plant Specific Operations Expenses	\$ [REDACTED]	CAF-ICC	\$ [REDACTED]
		TOTAL	\$ [REDACTED]
Customer Operations Expenses			
Customer Services (6611-23)	\$ [REDACTED]		
Customer Operations Expenses	\$ [REDACTED]		
Corporate Operations Expense			
Executive & planning (6710-12)	\$ [REDACTED]		
General & Administrative (6720-28)	\$ [REDACTED]		
Corporate Operations Expense	\$ [REDACTED]		
Total Years Supported Expenses, Before Return on Investment			
	\$ [REDACTED]		
Additions / Capx			
Fiber - WL FTTH Rural	\$ [REDACTED]		
Total Supported Expenditures, Before Return on Investment			
	\$ [REDACTED]		

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* and an additional [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality, coverage, and capacity in 2015.

REDACTED - FOR PUBLIC INSPECTION

NORTHERN NATURAL
GAS COMPANY

R-35W

T-87N

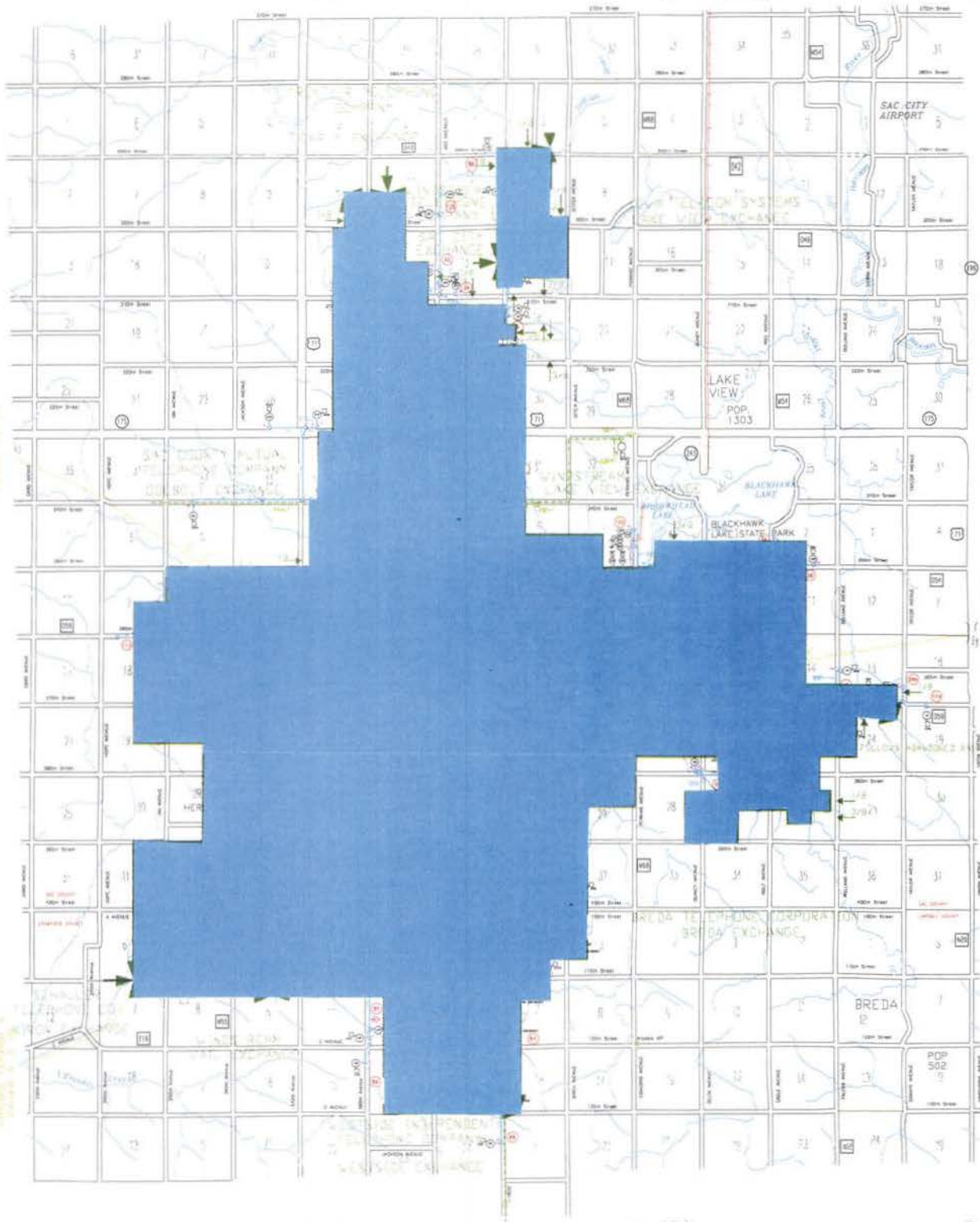
T-86N

T-85N

T-87N

T-86N

T-85N



downstream upstream to
of service area.



LATEST REVISION 07/16/13

OAK HILL CONSULTING, INC.
1308 WEST HIGHWAY #10
BURNSVILLE, MINNESOTA 55337
(952) 895-8851

PROJECT: CORN BELT TELEPHONE COMPANY - RURAL EXCHANGE #114		
CREATED BY: LVB	END: OAK HILL CONSULTING, INC.	REVISION DATE:
DATE: 04/20/09	SCALE: NTS	
DRAWN BY:	CHECKED BY: J. B. P.	

Received & Inspected

JUN 29 2015

FCC Mail Room

REDACTED – FOR PUBLIC INSPECTION

FCC Form 481 - Line 112

Corn Belt Tel Co #351141 5 Year Plan Progress Report

Actual 2014 Expenses	
Plant Specific Operations Expenses	
Network Support (6110-16)	\$ [REDACTED]
General Support (6120-24)	\$ [REDACTED]
Central Office (6210-6232)	\$ [REDACTED]
Cable & Wire Facilities (6410-41)	\$ [REDACTED]
Network Operations (6530-35)	\$ [REDACTED]
Depreciation & Amortization (6560-65)	\$ [REDACTED]
Plant Specific Operations Expenses	\$ [REDACTED]

2014 Federal Universal Service Receipts	
Interstate Access Support	\$ [REDACTED]
Interstate Common Line Support	\$ [REDACTED]
Connect America Fund Support	\$ [REDACTED]
High Cost Loop Support	\$ [REDACTED]
Safety Net Additive Support	\$ [REDACTED]
Safety Valve Loop Cost Adj	\$ [REDACTED]
CAF-ICC	\$ [REDACTED]
TOTAL	\$ [REDACTED]

Customer Operations Expenses	
Customer Services (6611-23)	\$ [REDACTED]
Customer Operations Expenses	\$ [REDACTED]

Corporate Operations Expense	
Executive & planning (6710-12)	\$ [REDACTED]
General & Administrative (6720-28)	\$ [REDACTED]
Corporate Operations Expense	\$ [REDACTED]

Total Years Supported Expenses, Before Return on Investment	
	\$ [REDACTED]

Additions / Capx	
Fiber - WL FTTH Rural	\$ [REDACTED]

Total Supported Expenditures, Before Return on Investment	
	\$ [REDACTED]

It is estimated that [REDACTED] of universal service funding received in 2014 was used to ensure and improve *service quality*. This ensures that the network is maintained and operated to provide telecommunications and information services as well as interexchange services and advanced telecommunications that are reasonably comparable to those services offered in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas. It is estimated that [REDACTED] of universal service funding received in 2014 was used improve *service coverage* and an additional [REDACTED] of universal service funding received in 2014 was used improve *service capacity* at wire centers served by our company for telecommunications and information services as well as interexchange services and advanced telecommunications (broadband). Due to these expenditures, [REDACTED] of households in our service area will have access to our broadband capable network as of July 1, 2015. Expenditures are not tracked at the wire center or census block level and are reported here on a total service area basis. We believe it is reasonable to conclude the [REDACTED] of universal service funding received in 2014 will be used to ensure and improve service quality, coverage, and capacity in 2015.

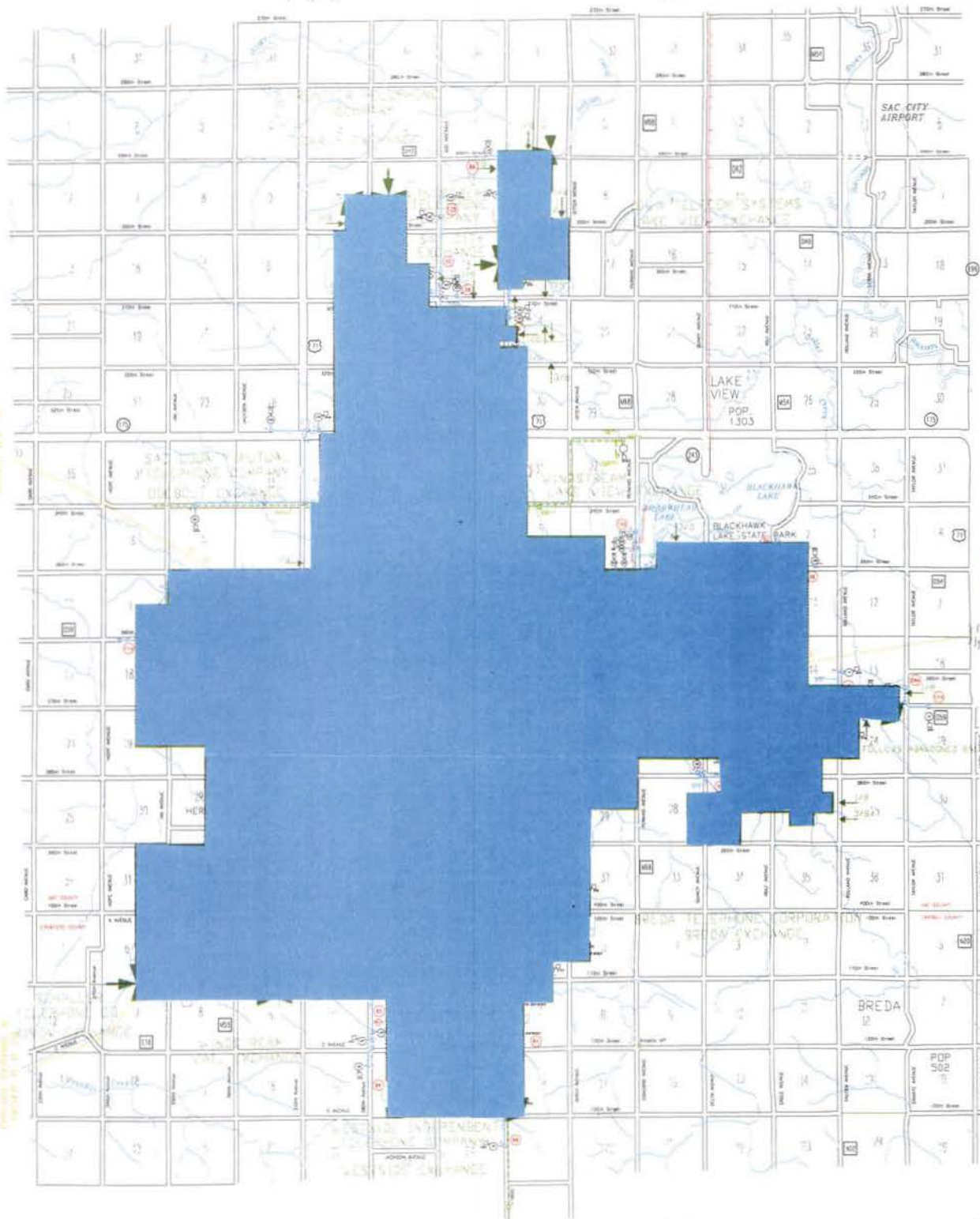
T-87N

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N-87-1

N-86-1

N-85-1



downstream upstream to
of service area.



LATEST REVISION 07/16/13

OAK HILL CONSULTING, INC.
1300 WEST HIGHWAY #13
BURNSVILLE, MINNESOTA 55337
(651) 895-8861

PROJECT: CDA WEST TELEPHONE COMPANY - RURAL EXCHANGE #1114	DATE: 04/26/2011	SCALE: 40%	SHEET: 1 OF 1
DRAWN BY: LKH	CHECKED BY: MHL	DESIGNED BY: MHL	REVISION: 04/26/2011